(Mr. BAUCUS), the Senator from Colorado (Mr. BENNET), the Senator from New Mexico (Mr. BINGAMAN), the Senator from Connecticut (Mr. BLUMENTHAL), the Senator from California (Mrs. BOXER), the Senator from Ohio (Mr. BROWN), the Senator from Washington (Ms. CANTWELL), the Senator from Maryland (Mr. CARDIN), the Senator from Delaware (Mr. CARPER), the Senator from Pennsylvania (Mr. CASEY), the Senator from Delaware (Mr. COONS), the Senator from Illinois (Mr. DURBIN), the Senator from California (Mrs. FEINSTEIN), the Senator from Minnesota (Mr. FRANKEN), the Senator from New York (Mrs. GILLIBRAND), the Senator from North Carolina (Mrs. HAGAN), the Senator from Iowa (Mr. HARKIN), the Senator from Hawaii (Mr. INOUYE), the Senator from South Dakota (Mr. JOHNSON), the Senator from Massachusetts (Mr. KERRY), the Senator from Minnesota (Ms. KLOBUCHAR), the Senator from Wisconsin (Mr. KOHL), the Senator from Louisiana (Ms. LANDRIEU), the Senator from New Jersey (Mr. LAUTENBERG), the Senator from Vermont (Mr. LEAHY), the Senator from Michigan (Mr. LEVIN), the Senator from Connecticut (Mr. LIEBERMAN), the Senator from West Virginia (Mr. MANCHIN), the Senator from New Jersey (Mr. MENENDEZ), the Senator from Oregon (Mr. MERKLEY), the Senator from Maryland (Ms. MIKULSKI), the Senator from Washington (Mrs. MURRAY), the Senator from Florida (Mr. NELSON), the Senator from Nebraska (Mr. NELSON), the Senator from Arkansas (Mr. PRYOR), the Senator from Rhode Island (Mr. REED), the Senator from Nevada (Mr. REID), the Senator from West Virginia (Mr. ROCKEFELLER), the Senator from Vermont (Mr. SANDERS), the Senator from New York (Mr. SCHUMER), the Senator from New Hampshire (Mrs. SHAHEEN), the Senator from Michigan (Ms. STABENOW), the Senator from New Mexico (Mr. UDALL), the Senator from Rhode Island (Mr. WHITEHOUSE), and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. 3372, a bill to amend section 704 of title 18, United States Code.

S. 3392

At the request of Mr. BROWN of Ohio, the names of the Senator from Hawaii (Mr. INOUYE) and the Senator from Michigan (Ms. STABENOW) were added as cosponsors of S. 3392, a bill to amend the Securities Exchange Act of 1934, to require the disclosure of the total number of the domestic and foreign employers of issuers.

S. 3394

At the request of Mr. JOHNSON of South Dakota, the names of the Senator from Alaska (Mr. BEGICH), the Senator from Illinois (Mr. KIRK), the Senator from New Jersey (Mr. MENENDEZ), and the Senator from Florida (Mr. NELSON) were added as cosponsors of S. 3394, a bill to address fee disclosure requirements under the Electronic Fund Transfer Act, to amend the Federal Deposit Insurance Act with respect to information provided to the Bureau of Consumer Financial Protection, and for other purposes.

S. RES. 494

At the request of Mr. CORNYN, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. Res. 494, a resolution condemning the Government of the Russian Federation for providing weapons to the regime of President Bashar al-Assad of Syria.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. REED (for himself and Mr. GRASSLEY):

S. 3416. A bill to enhance civil penalties under the Federal securities laws, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. REED. Today I am introducing bipartisan legislation to address a matter that I explored as chairman of the Banking Subcommittee on Securities, Insurance, and Investment. During a series of hearings, it became increasingly clear to me that in order to protect taxpayers and investors, we need tougher anti-fraud laws and better oversight of Wall Street. Some of these institutions that are ''too big to fail'' have also become ''too big to care.'' We need to end the cycle of misconduct where such institutions can look at the bottom line and see they can break the law, get caught, pay a nominal fine, and still profit.

At a Securities and Exchange Commission, SEC, oversight hearing I held in November 2011, I asked Robert Khuzami, director of the Division of Enforcement at the SEC, why a recently proposed settlement with Citigroup had been thrown out by a Federal judge in the Southern District of New York, who believed it to be egregiously low. Mr. Khuzami replied that the SEC's ability to assess penalties was actually limited by the statute. In follow-up questions, I directly asked if Congress should consider raising these limits, especially in cases involving repeated offenders. I subsequently received a letter from SEC Chairman Schapiro, and written answers from Mr. Khuzami, supporting the need to raise the limits and make other improvements to the SEC civil enforcement statute.

As a result, I am introducing today with my colleague, Senator CHUCK GRASSLEY, the Stronger Enforcement of Civil Penalties Act of 2012 or the SEC Penalties Act. This bill will strengthen the ability of the SEC to crack down on violations of securities laws by updating its civil penalties statute. This legislation will ensure that the punishment better fits the crime by increasing the statutory limits on civil monetary penalties, directly linking the size of these penalties to the scope of harm and associated investor losses, and substantially raising the financial stakes for repeat offenders of our nation's securities laws.

Our bill will increase the per violation cap for the most egregious securities laws violations to $1 million per offense for individuals and $10 million per offense for entities. This will help ensure that the SEC's most severe, or ''tier three,'' penalties will help deter people from engaging in the most serious offenses, rather than have such wrongdoing be viewed as just the cost of doing business. Under existing law, the SEC can only penalize individual securities law violators a maximum of $150,000 per offense and institutions $725,000 per offense.

Our bill will also toughen penalties by allowing penalties equal to three times the economic gain of the violator. It also provides a new calculation method that includes the amount of associated investor losses as part of the penalty determination. This should allow the SEC to address situations where the actual economic gain to the violator is relatively small compared to the extent of the wrongdoing or the harm caused to investors.

In the recent case involving Citigroup, existing law did not even entitle the SEC to recover the amount actually lost by investors. Estimated investors losses were about $700 million, but the SEC proposed to settle the case with Citigroup for only $285 million. This amount was what was estimated to be close to the total monetary recovery that the SEC itself could have obtained if it had gone to trial. Under our bill, this amount could have been much larger, and would have taken into account the economic gain to Citigroup, in addition to investor losses.

Recent reports have highlighted the level of repeat offenses that have occurred on Wall Street and gone unchecked. The SEC Penalties Act includes two statutory changes that would substantially improve the ability of the SEC's enforcement program to ratchet up penalties as recidivism occurs.

One would allow the SEC to triple the applicable penalty cap for recidivists who, within the preceding five years, have been criminally convicted of securities fraud or been the subject of a judgment or order imposing monetary, equitable, or administrative relief in any action alleging SEC fraud.

The other would allow the SEC to seek a civil penalty if an individual or entity has violated an existing federal court injunction or bar imposed by the SEC. Many believe this approach would be more efficient, effective, and flexible than the current civil contempt remedy.

Finally, under the SEC Penalties Act, the penalty relief available in administrative proceedings will be the same as it is in district court. In essence, the SEC will be able to assess these types of penalties in-house, and not just obtain them in federal court.

Given the JP Morgan trading scandal, issues arising from the Facebook IPO, and the manipulation of LIBOR, it

is clear much still needs to be done to improve transparency and restore confidence in our financial system. The nearly one-half of all U.S. households that own securities deserve a strong cop on the beat that has the tools it needs to go after fraudsters and the difficult cases arising from our increasingly complex financial markets. Our economy's success depends in no small part on restoring confidence in our capital markets.

The SEC Penalties Act will help by giving the SEC more tools to demand meaningful accountability from Wall Street. It will enhance the SEC's ability to protect investors and crack down on fraud and I urge my colleagues to cosponsor and join us in supporting this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the text of the bill was ordered to be printed in the RECORD, as follows:

S. 3416

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Stronger Enforcement of Civil Penalties Act of 2012''.

SEC. 2. UPDATED CIVIL MONEY PENALTIES FOR SECURITIES LAWS VIOLATIONS.

(a) SECURITIES ACT OF 1933.—

(1) MONEY PENALTIES IN ADMINISTRATIVE ACTIONS.—Section 8A(g)(2) of the Securities Act of 1933 (15 U.S.C. 77h–1(g)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking ''$7,500'' and inserting ''$10,000''; and

(ii) by striking ''$75,000'' and inserting ''$100,000'';

(B) in subparagraph (B)—

(i) by striking ''$75,000'' and inserting ''$100,000''; and

(ii) by striking ''$375,000'' and inserting ''$500,000''; and

(C) by amending subparagraph (C) to read as follows:

''(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the amount of penalty for each such act or omission shall not exceed the greater of—

''(i) $1,000,000 for a natural person or $10,000,000 for any other person;

''(ii) 3 times the gross amount of pecuniary gain to the person who committed the act or omission; or

''(iii) the amount of losses incurred by victims as a result of the act or omission, if—

''(I) the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

''(II) such act or omission directly or indirectly resulted in—

''(aa) substantial losses or created a significant risk of substantial losses to other persons; or

''(bb) substantial pecuniary gain to the person who committed the act or omission.''.

(2) MONEY PENALTIES IN CIVIL ACTIONS.—Section 20(d)(2) of the Securities Act of 1933 (15 U.S.C. 77t(d)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking ''$5,000'' and inserting ''$10,000''; and

(ii) by striking ''$50,000'' and inserting ''$100,000'';

(B) in subparagraph (B)—

(i) by striking ''$50,000'' and inserting ''$100,000''; and

(ii) by striking ''$250,000'' and inserting ''$500,000''; and

(C) in subparagraph (C), by striking ''greater of (i) $100,000 for a natural person or $500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation'' and inserting the following: ''greater of—

''(i) $1,000,000 for a natural person or $10,000,000 for any other person;

''(ii) 3 times the gross amount of pecuniary gain to such defendant as a result of the violation; or

''(iii) the amount of losses incurred by victims as a result of the violation''.

(b) SECURITIES EXCHANGE ACT OF 1934.—

(1) MONEY PENALTIES IN CIVIL ACTIONS.—Section 21(d)(3)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)(B)) is amended—

(A) in clause (i)—

(i) by striking ''$5,000'' and inserting ''$10,000''; and

(ii) by striking ''$50,000'' and inserting ''$100,000'';

(B) in clause (ii)—

(i) by striking ''$50,000'' and inserting ''$100,000''; and

(ii) by striking ''$250,000'' and inserting ''$500,000''; and

(C) in clause (iii), by striking ''greater of (I) $100,000 for a natural person or $500,000 for any other person, or (II) the gross amount of pecuniary gain to such defendant as a result of the violation'' and inserting the following: ''greater of—

''(I) $1,000,000 for a natural person or $10,000,000 for any other person;

''(II) 3 times the gross amount of pecuniary gain to such defendant as a result of the violation; or

''(III) the amount of losses incurred by victims as a result of the violation''.

(2) MONEY PENALTIES IN ADMINISTRATIVE ACTIONS.—Section 21B(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78u–2(b)) is amended—

(A) in paragraph (1)—

(i) by striking ''$5,000'' and inserting ''$10,000''; and

(ii) by striking ''$50,000'' and inserting ''$100,000'';

(B) in paragraph (2)—

(i) by striking ''$50,000'' and inserting ''$100,000''; and

(ii) by striking ''$250,000'' and inserting ''$500,000''; and

(C) by amending paragraph (3) to read as follows:

''(3) THIRD TIER.—Notwithstanding paragraphs (1) and (2), the amount of penalty for each such act or omission shall not exceed the greater of—

''(A) $1,000,000 for a natural person or $10,000,000 for any other person;

''(B) 3 times the gross amount of pecuniary gain to the person who committed the act or omission; or

''(C) the amount of losses incurred by victims as a result of the act or omission, if—

''(i) the act or omission described in subsection (a) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

''(ii) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.''.

(c) INVESTMENT COMPANY ACT OF 1940.—

(1) MONEY PENALTIES IN ADMINISTRATIVE ACTIONS.—Section 9(d)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–9(d)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking ''$5,000'' and inserting ''$10,000''; and

(ii) by striking ''$50,000'' and inserting ''$100,000'';

(B) in subparagraph (B)—

(i) by striking ''$50,000'' and inserting ''$100,000''; and

(ii) by striking ''$250,000'' and inserting ''$500,000''; and

(C) by amending subparagraph (C) to read as follows:

''(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the amount of penalty for each such act or omission shall not exceed the greater of—

''(i) $1,000,000 for a natural person or $10,000,000 for any other person;

''(ii) 3 times the gross amount of pecuniary gain to the person who committed the act or omission; or

''(iii) the amount of losses incurred by victims as a result of the act or omission, if—

''(I) the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

''(II) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.''.

(2) MONEY PENALTIES IN CIVIL ACTIONS.—Section 42(e)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–41(e)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking ''$5,000'' and inserting ''$10,000''; and

(ii) by striking ''$50,000'' and inserting ''$100,000'';

(B) in subparagraph (B)—

(i) by striking ''$50,000'' and inserting ''$100,000''; and

(ii) by striking ''$250,000'' and inserting ''$500,000''; and

(C) in subparagraph (C), by striking ''greater of (i) $100,000 for a natural person or $500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation'' and inserting the following: ''greater of—

''(i) $1,000,000 for a natural person or $10,000,000 for any other person;

''(ii) 3 times the gross amount of pecuniary gain to such defendant as a result of the violation; or

''(iii) the amount of losses incurred by victims as a result of the violation''.

(d) INVESTMENT ADVISERS ACT OF 1940.—

(1) MONEY PENALTIES IN ADMINISTRATIVE ACTIONS.—Section 203(i)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(i)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking ''$5,000'' and inserting ''$10,000''; and

(ii) by striking ''$50,000'' and inserting ''$100,000'';

(B) in subparagraph (B)—

(i) by striking ''$50,000'' and inserting ''$100,000''; and

(ii) by striking ''$250,000'' and inserting ''$500,000''; and

(C) by amending subparagraph (C) to read as follows:

''(C) THIRD TIER.—Notwithstanding subparagraphs (A) and (B), the amount of penalty for each such act or omission shall not exceed the greater of—

''(i) $1,000,000 for a natural person or $10,000,000 for any other person;

''(ii) 3 times the gross amount of pecuniary gain to the person who committed the act or omission; or

''(iii) the amount of losses incurred by victims as a result of the act or omission, if—

''(I) the act or omission described in paragraph (1) involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement; and

''(II) such act or omission directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons or resulted in substantial pecuniary gain to the person who committed the act or omission.''.

(2) MONEY PENALTIES IN CIVIL ACTIONS.—Section 209(e)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–9(e)(2)) is amended—

(A) in subparagraph (A)—

(i) by striking ''$5,000'' and inserting ''$10,000''; and

(ii) by striking ''$50,000'' and inserting ''$100,000'';

(B) in subparagraph (B)—

(i) by striking ''$50,000'' and inserting ''$100,000''; and

(ii) by striking ''$250,000'' and inserting ''$500,000''; and

(C) in subparagraph (C), by striking ''greater of (i) $100,000 for a natural person or $500,000 for any other person, or (ii) the gross amount of pecuniary gain to such defendant as a result of the violation'' and inserting the following: ''greater of—

''(i) $1,000,000 for a natural person or $10,000,000 for any other person;

''(ii) 3 times the gross amount of pecuniary gain to such defendant as a result of the violation; or

''(iii) the amount of losses incurred by victims as a result of the violation''.

SEC. 3. PENALTIES FOR RECIDIVISTS.

(a) SECURITIES ACT OF 1933.—

(1) CEASE-AND-DESIST PROCEEDINGS.—Section 8A(g)(2) of the Securities Act of 1933 (15 U.S.C. 77h–1(g)(2)) is amended by adding at the end the following:

''(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such act or omission shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such act or omission, the person who committed the act or omission was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that person.''.

(2) INJUNCTIONS AND PROSECUTION OF OFFENSES.—Section 20(d)(2) of the Securities Act of 1933 (15 U.S.C. 77t(d)(2)) is amended by adding at the end the following:

''(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.''.

(b) SECURITIES EXCHANGE ACT OF 1934.—

(1) CIVIL ACTIONS.—Section 21(d)(3)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)(B)) is amended by adding at the end the following:

''(iv) FOURTH TIER.—Notwithstanding clauses (i), (ii), and (iii), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such clauses if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.''.

(2) ADMINISTRATIVE PROCEEDINGS.—Section 21B(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78u–2(b)) is amended by adding at the end the following:

''(4) FOURTH TIER.—Notwithstanding paragraphs (1), (2), and (3), the maximum amount of penalty for each such act or omission shall be 3 times the otherwise applicable amount in such paragraphs if, within the 5-year period preceding such act or omission, the person who committed the act or omission was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that person.''.

(c) INVESTMENT COMPANY ACT OF 1940.—

(1) INELIGIBILITY OF CERTAIN UNDERWRITERS AND AFFILIATES.—Section 9(d)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–9(d)(2)) is amended by adding at the end the following:

''(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such act or omission shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such act or omission, the person who committed the act or omission was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that person.''.

(2) ENFORCEMENT.—Section 42(e)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–41(e)(2)) is amended by adding at the end the following:

''(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.''.

(d) INVESTMENT ADVISERS ACT OF 1940.—The Investment Advisers Act of 1940 (15 U.S.C. 80b–1 et seq.) is amended—

(1) in section 203(i)(2) (15 U.S.C. 80b–3(i)(2)), by adding at the end the following:

''(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such act or omission shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such act or omission, the person who committed the act or omission was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that person.''; and

(2) in section 209(e)(2) (15 U.S.C. 80b–9(e)(2)) by adding at the end the following:

''(D) FOURTH TIER.—Notwithstanding subparagraphs (A), (B), and (C), the maximum amount of penalty for each such violation shall be 3 times the otherwise applicable amount in such subparagraphs if, within the 5-year period preceding such violation, the defendant was criminally convicted for securities fraud or became subject to a judgment or order imposing monetary, equitable, or administrative relief in any Commission action alleging fraud by that defendant.''.

SEC. 4. VIOLATIONS OF INJUNCTIONS AND BARS.

(a) SECURITIES ACT OF 1933.—Section 20(d) of the Securities Act of 1933 (15 U.S.C. 77t(d)) is amended—

(1) in paragraph (1), by inserting after ''the rules or regulations thereunder,'' the following: ''a Federal court injunction or a bar obtained or entered by the Commission under this title,''; and

(2) by amending paragraph (4) to read as follows:

''(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF AN INJUNCTION OR CERTAIN ORDERS.—

''(A) IN GENERAL.—Each separate violation of an injunction or order described in subparagraph (B) shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such injunction or order, each day of the failure to comply with the injunction or order shall be deemed a separate offense.

''(B) INJUNCTIONS AND ORDERS.—Subparagraph (A) shall apply with respect to any action to enforce—

''(i) a Federal court injunction obtained pursuant to this title;

''(ii) an order entered or obtained by the Commission pursuant to this title that bars, suspends, places limitations on the activities or functions of, or prohibits the activities of, a person; or

''(iii) a cease-and-desist order entered by the Commission pursuant to section 8A.''.

(b) SECURITIES EXCHANGE ACT OF 1934.—Section 21(d)(3) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(d)(3)) is amended—

(1) in subparagraph (A), by inserting after ''the rules or regulations thereunder,'' the following: ''a Federal court injunction or a bar obtained or entered by the Commission under this title,''; and

(2) by amending subparagraph (D) to read as follows:

''(D) SPECIAL PROVISIONS RELATING TO A VIOLATION OF AN INJUNCTION OR CERTAIN ORDERS.—

''(i) IN GENERAL.—Each separate violation of an injunction or order described in clause (ii) shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such injunction or order, each day of the failure to comply with the injunction or order shall be deemed a separate offense.

''(ii) INJUNCTIONS AND ORDERS.—Clause (i) shall apply with respect to an action to enforce—

''(I) a Federal court injunction obtained pursuant to this title;

''(II) an order entered or obtained by the Commission pursuant to this title that bars, suspends, places limitations on the activities or functions of, or prohibits the activities of, a person; or

''(III) a cease-and-desist order entered by the Commission pursuant to section 21C.''.

(c) INVESTMENT COMPANY ACT OF 1940.—Section 42(e) of the Investment Company Act of 1940 (15 U.S.C. 80a–41(e)) is amended—

(1) in paragraph (1), by inserting after ''the rules or regulations thereunder,'' the following: ''a Federal court injunction or a bar obtained or entered by the Commission under this title,''; and

(2) by amending paragraph (4) to read as follows:

''(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF AN INJUNCTION OR CERTAIN ORDERS.—

''(A) IN GENERAL.—Each separate violation of an injunction or order described in subparagraph (B) shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such injunction or order, each day of the failure to comply with the injunction or order shall be deemed a separate offense.

''(B) INJUNCTIONS AND ORDERS.—Subparagraph (A) shall apply with respect to any action to enforce—

''(i) a Federal court injunction obtained pursuant to this title;

''(ii) an order entered or obtained by the Commission pursuant to this title that bars, suspends, places limitations on the activities or functions of, or prohibits the activities of, a person; or

''(iii) a cease-and-desist order entered by the Commission pursuant to section 9(f).''.

(d) INVESTMENT ADVISERS ACT OF 1940.—Section 209(e) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–9(e)) is amended—

(1) in paragraph (1), by inserting after ''the rules or regulations thereunder,'' the following: ''a federal court injunction or a bar obtained or entered by the Commission under this title,''; and

(2) by amending paragraph (4) to read as follows:

''(4) SPECIAL PROVISIONS RELATING TO A VIOLATION OF AN INJUNCTION OR CERTAIN ORDERS.—

''(A) IN GENERAL.—Each separate violation of an injunction or order described in subparagraph (B) shall be a separate offense, except that in the case of a violation through a continuing failure to comply with such injunction or order, each day of the failure to comply with the injunction or order shall be deemed a separate offense.

''(B) INJUNCTIONS AND ORDERS.—Subparagraph (A) shall apply with respect to any action to enforce—

''(i) a Federal court injunction obtained pursuant to this title;

''(ii) an order entered or obtained by the Commission pursuant to this title that bars, suspends, places limitations on the activities or functions of, or prohibits the activities of, a person; or

''(iii) a cease-and-desist order entered by the Commission pursuant to section 203(k).''.

By Mr. WYDEN:

S. 3418. A bill to amend title 10, United States Code, to require the Secretary of Defense to use only human-based methods for training members of the Armed Forces in the treatment of severe combat injuries; to the Committee on Armed Services.

Mr. WYDEN. Mr. President, I rise today to discuss military medical training, and specifically, the use of live animals in trauma training.

Many Americans may be unaware that the Military still uses live pigs and goats in combat trauma training courses to train military personnel to treat battlefield injuries. This is an outdated and inefficient training method that does not fully prepare doctors and medics to treat wounded service members.

For many years, medical simulation has not been able to provide a training experience superior to animal-based live tissue training, but the newest generation of simulators can do just that. These simulators are based on human anatomy and recreate the feeling, the sights, and the sounds of treating a wounded service member.

In current military training, live pigs and goats are anesthetized while trainees perform critical procedures on them. In some cases, the animals are shot in the face or have limbs amputated while the trainees are instructed to keep them alive as long as possible. This is inhumane, but more importantly, it is like comparing apples and oranges—this does not teach service members how to treat a human soldier, only how to operate on a goat or pig. And while live tissue training has some value in getting trainees accustomed to the sight of blood, medical simulation can now do the same, and has become the new gold standard.

In civilian medical training courses, which teach many of the same procedures as the military, simulators have almost universally replaced the use of live animals. The reason for this is simple; to learn how to treat human injuries, you must learn on human anatomy. Medical simulation can now replicate that anatomy while providing the emotional and psychological pressure of working on a living, wounded soldier.

Let me say that I applaud the investments that the Department of Defense has made in the area of simulation. No one has invested more in simulation technology than the Military. But the problem that I see is that despite millions of dollars in investments, simulator technology is not being fully utilized.

Speaking of costs, in addition to providing superior training and reducing animal suffering, a move away from live tissue training would save taxpayer dollars. Due to the many hidden costs of animal use, such as housing and feeding the animals, purchasing drugs for euthanasia and anesthesia, and keeping a veterinarian on staff, simulation can offer a better training experience at a lower cost.

But at the end of the day this is about providing the best possible training for our troops, because in military medicine the difference between the best training and the next best can literally mean the difference between life and death.

For these reasons I introduced today the Battlefield Excellence through Superior Training Practices, or BEST Practices Act. This legislation lays out a timeline for the Department of Defense to develop and fully implement innovative simulator technology in medical training, and to phase out live tissue training on animals in the process.

I want to note that I designed this legislation with a specific waiver authority for the Secretary of Defense, so that if there is a specific procedure that can only be best taught with live tissue use, that option is not removed. But the BEST Practices Act is primarily designed to engage the Pentagon to embrace this technology, continue further development, and incorporate this technology in military training in all cases where simulators provide the best result.

Just as we have seen with other technologies, the advancements in medical simulation are increasing at an exponential rate. The capabilities currently in place and under development are truly amazing. The BEST Practices Act capitalizes on these present and future capabilities, and uses them to save the lives of our service members.

By Mr. REED (for himself, Mr. LIEBERMAN, and Mr. WHITEHOUSE):

S. 3423. A bill to amend the Wild and Scenic Rivers Act to designate a segment of the Beaver, Chipuxet, Queen, Wood, and Pawcatuck Rivers in the States of Connecticut and Rhode Island for study for potential addition to the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

Mr. REED. Mr. President, today I am introducing, along with my colleagues from Rhode Island and Connecticut, Senators WHITEHOUSE and LIEBERMAN, legislation to authorize the National Park Service to study specific sections of the Beaver, Chipuxet, Queen, Wood, and Pawcatuck Rivers in Rhode Island and Connecticut for potential addition to the National Wild and Scenic Rivers System. Our legislation seeks to bring greater attention to and resources for efforts to protect and restore the health of these rivers through the evaluation of their recreational, natural, and historical qualities and whether they are suitable for designation as Wild and Scenic Rivers.

The recreational and scenic wealth of the Wood-Pawcatuck watershed is a natural treasure. The National Park Service's Rivers and Trails Conservation Assistance program conducted a planning and conservation study in the 1980s which concluded, in part, that the waters of the Wood and Pawcatuck Rivers corridor in Rhode Island ''are the cleanest and purest and its recreational opportunities are unparalleled by any other river system in the state.''

These rivers also provide opportunities for outdoor recreation and tourism that contribute to the local economy. Not only do its rivers provide easy access to the wilderness for family outings and school field trips, but they also offer ways to explore our heritage throughout the watershed, from Native American fishing grounds to Colonial and early industrial mill ruins. The rivers also provide opportunities for trout fishing, canoeing, bird watching, and hiking.

I have long supported the protection and restoration of Southern New England's watersheds and estuaries, including the Narragansett Bay, and this study is an important first step in determining future opportunities for protection and recreational enjoyment of the rivers in the Wood-Pawcatuck watershed. Our states have been excellent stewards of these rivers, and this study would enhance existing local and State efforts to preserve and manage this open space and its wildlife habitat.

Indeed, partnerships are key to broad restoration and management of our resources, and it is expected that this study would be conducted in close cooperation with the affected communities, state agencies, local governments, and other interested organizations. The partnership-based approach also allows for development of a proposed river management plan as part of the study, which could address issues ranging from fish passage to the restoration of wetlands to assist with flood mitigation, as well as balance the

recreational opportunities that contribute to the local economies with preservation of the natural resources.

This is a two State initiative that will encompass both Rhode Island and Connecticut, and will help protect these resources for future generations to enjoy.

I commend Representatives LANGEVIN and COURTNEY for spearheading this effort in the other body, and I look forward to working with all of my colleagues to initiate the process to study the rivers of the Wood-Pawcatuck Watershed for inclusion in the National Wild and Scenic Rivers System.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 524—REAFFIRMING THE STRONG SUPPORT OF THE UNITED STATES FOR THE 2002 DECLARATION OF CONDUCT OF PARTIES IN THE SOUTH CHINA SEA AMONG THE MEMBER STATES OF ASEAN AND THE PEOPLE'S REPUBLIC OF CHINA, AND FOR OTHER PURPOSES

Mr. KERRY (for himself, Mr. LUGAR, Mr. WEBB, Mr. INHOFE, Mr. LIEBERMAN, and Mr. MCCAIN) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 524

Whereas the Association of Southeast Asian Nations (ASEAN) plays a key role in strengthening and contributing to peace, stability, and prosperity in the Asia-Pacific region;

Whereas the vision of the ASEAN Leaders in their goals set out in the ASEAN Charter to integrate ASEAN economically, politically, and culturally furthers regional peace, stability, and prosperity;

Whereas the United States Government recognizes the importance of a strong, cohesive, and integrated ASEAN as a foundation for effective regional frameworks to promote peace and security and economic growth and to ensure that the Asia-Pacific community develops according to rules and norms agreed upon by all of its members;

Whereas the United States is enhancing political, security and economic cooperation in Southeast Asia through ASEAN, and seeks to continue to enhance its role in partnership with ASEAN and others in the region in addressing transnational issues ranging from climate change to maritime security;

Whereas the United States Government welcomes the development of a peaceful and prosperous China which respects international norms, international laws, international institutions, and international rules, and enhances security and peace, and seeks to advance a ''cooperative partnership'' between the United States and China;

Whereas ASEAN plays an important role, in partnership with others in the regional and international community, in addressing maritime security issues in the Asia-Pacific region and into the Indian Ocean, including open access to the maritime commons of Asia;

Whereas the South China Sea is a vital part of the maritime commons of Asia, including critical sea lanes of communication and commerce between the Pacific and Indian oceans;

Whereas, in the declaration on the conduct of parties in the South China Sea, the governments of the member states of ASEAN and the Government of the People's Republic of China have affirmed ''that the adoption of a code of conduct in the South China Sea would further promote peace and stability in the region'' and have agreed to work towards the attainment of a code of conduct;

Whereas, pending the peaceful settlement of territorial and jurisdictional disputes, the member states of ASEAN and the People's Republic of China have committed to ''exercise self-restraint in the conduct of activities that would complicate or escalate disputes and stability, including, among others, refraining from action of inhabiting presently uninhabited islands, reefs, shoals, and other features and to handle their differences in a constructive manner'';

Whereas, pending the peaceful settlement of territorial and jurisdictional disputes, the member states of ASEAN and the People's Republic of China affirmed their commitment ''to the freedom of navigation in and overflight of the South China Sea provided for by the universally recognized principles of international law, including the 1982 UN Convention on the Law of the Sea''; and

Whereas, although not a party to these disputes, the United States has national interests in freedom of navigation, the maintenance of peace and stability, respect for international law, and unimpeded lawful commerce: Now, therefore, be it

Resolved, That the Senate—

(1) reaffirms the strong support of the United States for the 2002 declaration of conduct of parties in the South China Sea among the member states of ASEAN and the People's Republic of China;

(2) supports the member states of ASEAN, and the Government of the People's Republic of China, as they seek to adopt a legally-binding code of conduct of parties in the South China Sea, and urges all countries to substantively support ASEAN in its efforts in this regard;

(3) strongly urges that, pending adoption of a code of conduct, all parties, consistent with commitments under the declaration of conduct, ''exercise self-restraint in the conduct of activities that would complicate or escalate disputes and stability, including, among others, refraining from action of inhabiting presently uninhabited islands, reefs, shoals and other features and to handle their differences in a constructive manner'';

(4) supports a collaborative diplomatic process by all claimants for resolving outstanding territorial and jurisdictional disputes, allowing parties to peacefully settle claims and disputes using international law;

(5) reaffirms the United States commitment—

(A) to assist the nations of Southeast Asia to remain strong and independent;

(B) to help ensure each nation enjoys peace and stability;

(C) to broaden and deepen economic, political, diplomatic, security, social, and cultural partnership with ASEAN and its member states; and

(D) to promote the institutions of emerging regional architecture and prosperity; and

(6) supports enhanced operations by the United States armed forces in the Western Pacific, including in the South China Sea, including in partnership with the armed forces of others countries in the region, in support of freedom of navigation, the maintenance of peace and stability, respect for international law, including the peaceful resolution of issues of sovereignty, and unimpeded lawful commerce.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2567. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 2567. Mr. DEMINT submitted an amendment intended to be proposed by him to the bill S. 3364, to provide an incentive for businesses to bring jobs back to America; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. RIGHT TO WORK.

(a) AMENDMENTS TO THE NATIONAL LABOR RELATIONS ACT.—

(1) RIGHTS OF EMPLOYEES.—Section 7 of the National Labor Relations Act (29 U.S.C. 157) is amended by striking ''except to'' and all that follows through ''authorized in section 8(a)(3)''.

(2) UNFAIR LABOR PRACTICES.—Section 8 of the National Labor Relations Act (29 U.S.C. 158) is amended—

(A) in subsection (a)(3), by striking '': *Provided,* That'' and all that follows through ''retaining membership'';

(B) in subsection (b)—

(i) in paragraph (2), by striking ''or to discriminate'' and all that follows through ''retaining membership''; and

(ii) in paragraph (5), by striking ''covered by an agreement authorized under subsection (a)(3) of this section''; and

(C) in subsection (f), by striking clause (2) and redesignating clauses (3) and (4) as clauses (2) and (3), respectively.

(b) AMENDMENT TO THE RAILWAY LABOR ACT.—Section 2 of the Railway Labor Act (45 U.S.C. 152) is amended by striking paragraph Eleven.

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. AKAKA. Mr. President, I would like to announce that the Committee on Indian Affairs will meet during the session of the Senate on July 26, 2012, in room SD–628 of the Dirksen Senate Office Building, at 2:15 p.m., to conduct a hearing entitled ''Regulation of Tribal Gaming: From Brick & Mortar to the Internet.''

Those wishing additional information may contact the Indian Affairs Committee at (202) 224–2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Committee on Energy and Natural Resources. The hearing will be held on Tuesday, July 31, 2012, at 10 a.m., in room SD–366 of the Dirksen Senate Office Building.

The purpose of the hearing is to receive testimony on S. 3385, a bill to authorize the Secretary of the Interior to use designated funding to pay for construction of authorized rural water projects, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify